

Philms Series Transcript
Tools and Premiums

Phil Whitmore

TOD Program Director:

“What is being talked about now, on the west coast, is plan implementation. How do you do plan implementation when you do a plan? How do you make sure the plan just doesn't sit there for 20 years? If you don't have urban renewal or one of the big horses that help you do those things, how do you do it otherwise?”

We do it through a variety of tools but mostly through land acquisition, land value write down and purchase of easements. The easements are essentially density and mixed-used easements. Those easements are a set of conditions and covenants that restrict the property to be developed mixed-use and higher density. It is a way that we can invest directly in the building so we can offset those cost premiums that are inherent in a mixed-use, higher density building.

If you took and built a 3-story apartment building, with surface parking, and you built a one story commercial building, as one scenario, then if you took those exact things and built one on top of the other, the second would have 20-35% added costs per square foot. The second one performs better; it allows you to have internal trips. It allows you to walk to the store, walk down the stairs to the store. It allows for an active street, it has retail, it starts to create a better urban form, but it costs more money. In areas where there is strong economics for both the housing and retail that occurs on its own. But most of the Portland region is not that way, only in the close-in neighborhoods does that occur on its own. We have transit that extends clear to Gresham and clear to Hillsboro so we try to help it along in those other areas.